

COMMENTS

by

THE CENTRAL INTELLIGENCE AGENCY

on

"CONCLUSIONS AND RECOMMENDATIONS"

of

A REPORT TO THE NATIONAL SECURITY COUNCIL

by

Mr. Allen W. Dulles, Chairman
Mr. William H. Jackson
Mr. Mathias F. Correa

Entitled

"THE CENTRAL INTELLIGENCE AGENCY

AND

NATIONAL ORGANIZATION FOR INTELLIGENCE"

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The Committee's report is an admirable effort to direct the Central Intelligence Agency to fundamentals and is a genuinely constructive effort to improve the production of intelligence on which the policy of the United States should be based. The observations of the Committee are, in general, accurate, and its objectives are sound; its conclusions, however, are, in many respects, faulty, and the recommendations for their attainment are, in many cases, impracticable.

The larger part of the Report is concerned with the amount of coordination exercised by the Central Intelligence Agency in regard to the other intelligence activities of the Government. It is realized that an optimum coordination has not yet been reached; however, not only a start, but considerable progress along the path of complete coordination has been attained. No gaps remain even though all duplication has not yet been abolished. On this subject of coordination, I am sure the members of the National Security Council realize the difficulties encountered; particularly, those members having to do with the unification of the Armed Services. A comparable problem has confronted the Central Intelligence Agency with the added obstacle that one additional department is involved.

The Committee states (page 5): "----coordination can most effectively be achieved by mutual agreement among the various agencies." There is no question as to the validity of that statement. However, to achieve coordination in such a manner, compromises of wording, emphasis, etc., have to be accepted. For example, three months were

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required to secure agreement on most of the present NSCID's, while it required one year to resolve the differences between the Air Force and the Navy on one NSCID.

The Committee begins its discussions on coordination with the above-mentioned declaration, but, in numerous cases thereafter, throughout the Report, the element of "direction" in coordination is intimated and even stressed. This element of "direction" has usually been entirely unacceptable to the interested agencies. Further, the Director of Central Intelligence, per se, has no authority to enforce coordination, and, indeed, the Committee (page 41) recognizes this when it says, "The Act does not give the Central Intelligence Agency independent authority to coordinate intelligence activities." Yet many of the Committee's recommendations hinge upon having such authority, and many of the alleged shortcomings are due to this lack of authority. The phrase, "such procedure would violate the chain of command," was repeated over and over again in the discussions during the drawing-up of the present NSCID's.

In view of this lack of explicit authority, in view of the progress made in the relatively short time this activity has been in operation, and in view of the progress already made in coordination by mutual agreement, it is considered that in not too long a period the continued augmentation of such a program will more than justify any delays incurred.

A second alleged shortcoming is that the Central Intelligence Agency is "overadministered" in the sense that administrative

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conditions have been allowed to guide and, on occasion, even control intelligence policy, to the detriment of the latter." The administration of the Central Intelligence Agency has been developed on the following pattern:

(1) Budget, personnel, and other support services are essential to any operation, and are centralized to serve all components of the Agency.

(2) Control procedures are restricted to keeping within the budget requirements, insuring that illegal transactions are not permitted, avoiding waste and duplication in expenditures, and maintaining certain standards required by security, the Civil Service Commission, the Bureau of the Budget, and the General Accounting Office. No agency, regardless of its nature, and most emphatically one that handles confidential government funds, can possibly avoid such controls.

Administration has advised on policy matters and should continue to do so, particularly, in the determination of the ability to support operational proposals and in the achievement of greater efficiency with the means available for operations. Administration has no voice in determining the substance of operational direction, guidance, and production, nor should it ever have.

There is a never-ending argument on the merits of administration versus operations. The operating people would like to be given a lump sum for their operations and complete latitude with regard to

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numbers and grades of personnel, travel authorities, new projects, etc. The results of such action, without controls, is obvious-- chaos--and, again, it simply cannot be done where government funds are involved.

The Committee further declares: "Administrative arrangements which do not at first appear to be efficient or economical may be necessary in the Central Intelligence Agency. Personnel requirements for certain types of work cannot conform to normal civil service standards, and the demands of security often impose special and unusual procedures. This situation must be understood not only by those responsible for the internal organization of the Central Intelligence Agency but also by Congress and the Bureau of the Budget." --- "The centralization of all administration in one office is undesirable since secret operations require their own separate administration."

The Committee's report seems to indicate undue emphasis and alarm in connection with complete autonomy for covert components of the Central Intelligence Agency. There has to be an umpire some place, and no one, directly responsible for operations, should be his own final authority and judge in the utilization of funds and personnel.

Security is adequately served through the physical segregation of covert administrative branches and the establishment of direct channels, both to the covert operational officials and to the responsible administrator who is the third senior official in the

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Agency. Covert and overt support activities are not intermingled, but a single administrative chief over each phase insures adequate mutual support and minimizes duplication. The Central Intelligence Agency saved over sixty positions by the new organizational approach and so far has had few complaints. From a strictly security point of view, there will be better security than before because of not pointing up autonomous separate support functions in a single agency.

It is all very well for a group with no responsibilities or authority to state that both Congress and the Bureau of the Budget must understand that the Central Intelligence Agency must be given, in effect, a blank check and a free hand. In practice, the Central Intelligence Agency must justify its demands with some reason and logic and must reassure both of those bodies that the Central Intelligence Agency is, at least, somewhat careful with government funds and does its best to guard against waste and fraud.

Another Committee comment is: "Many able persons have left the organization and few qualified ones have been attracted to it. On the higher levels, quality is uneven, and there are few persons who are outstanding in intelligence work."

The above statement seems to be totally unwarranted, as well as to have no actual basis in fact. Out of 267 employees in the three top grades (P-6 to P-8 and CAF-13 to CAF-15, both inclusive), 20 employees have left, not all of them voluntarily. The following table shows this turnover.

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Losses of CIA Personnel in Top Three Grades in Calendar Year 1948

- | | |
|--|---------------------------------------|
| 1. Resigned due to extended illness and physical inability to return to work. | 1 (P-8) |
| 2. Death. | 1 (CAF-13) |
| 3. Requested by CIA to resign (not competent to perform duties adequately--would not conform to CIA policies--not competent to handle the job). | 3 (1, P-8)
(1, P-7)
(1, CAF-13) |
| 4. Resigned due to NSC action requiring a State Department nominee to replace him (OPC). | 1 (P-8) |
| 5. Resigned due to difficulties in securing essential special security clearances and dissatisfaction over lack of opportunity for personal publicity. (Replacement has been obtained who is much better qualified.) (OSI) | 1 (P-8) |
| 6. Resigned to accept other positions and since replaced by better qualified personnel. (This group comprised of employees whose work was adequate but not exceptional. In each case CIA was pleased to accept the resignation.) | 8 (2, P-7)
(6, P-6) |
| 7. Resigned to accept opportunities in either government or private business not immediately available in CIA. | 3 (P-7) |
| 8. Resigned to accept appointment as Foreign Service Officer. | 1 (P-6) |
| 9. Resigned to accept military commission. | 1 (P-6) |

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For the calendar year 1948, the turnover in the Central Intelligence Agency for all personnel, for all causes--death, sickness, maternity leave, and all other voluntary or involuntary separations--has averaged 1.6% per month. This is a considerably lower rate than for most other government agencies.

The charge that there are few persons outstanding in intelligence work is another general one and is difficult to sustain. It is admittedly difficult to establish an absolute criterion as to ability, but, if scholarship and experience do have some bearing, the following tables will demonstrate that the Central Intelligence Agency is not totally devoid of capable people.

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CIA - Qualifications of Professional Personnel
(As of September 1948)

<u>College</u>	95%
No Degree	15%
I "	80%
II Degrees	30%
III "	11%
<u>Foreign Language</u>	
I	93%
II	68%
III or more	30%
<u>Military Service</u>	60%
<u>Intelligence Experience</u>	
I year	91%
II years	76%
III " or more	61%
<u>Related Experience</u>	
I year	95%
II years	88%
III " or more	79%
<u>Residence, Foreign</u>	
I year	44%
II years	37%
III " or more	27%
<u>Foreign Travel</u>	55%
<u>Sex</u>	
Male	70%
Female	30%

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ORE - Qualifications of Professional Personnel
(As of September 1948)

<u>College</u>	99%
No Degree	11%
I "	88%
II Degrees	27%
III "	14%

Foreign Language

I	95%
II	71%
III or more	23%

<u>Military Service</u>	58%
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Intelligence Experience

I year	98%
II years	84%
III " or more	70%

Related Experience

I year	98%
II years	93%
III " or more	86%

Residence, Foreign

I year	46%
II years	39%
III " or more	29%

<u>Foreign Travel</u>	55%
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Sex

Male	67%
Female	33%

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Another error, states the Report, is "The placing in key positions of a large percentage of military personnel, many of them on relatively short 'tour of duty' assignment, tends to discourage competent civilian personnel from looking to employment in the Central Intelligence Agency as a career."

Omitting the post of Director, which is considered in another part of the Report, there is only one--out of six--Assistant Director who is a military man. Four--out of six--Deputy Assistant Directors are from the military services, but, considering the fact that the military services are both the greatest suppliers and the greatest customers, this does not appear unreasonable. The overall figure is 58 military personnel, or less than 2% of the total number of employees in the Central Intelligence Agency.

The above Committee statement seems somewhat inconsistent with recommendations in other parts of the Report which urge the assignment of military personnel to various branches of the organization.

Budget

On page 33 of the Report is the statement: "Both Congress and the Bureau of the Budget have refrained from examining in detail the internal workings of the Central Intelligence Agency in order to determine the justification for the budget." This statement is only partially correct as, while Congress, so far, has not inquired into detail, the details have been gone over in the Bureau of the Budget by an official who has full security clearance. It was at the

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insistence of the Bureau of the Budget that a centralized administrative staff was set up.

Security

The Committee recognizes the need for security, "----in the Central Intelligence Agency which has unfortunately become publicized as a secret intelligence organization." The Central Intelligence Agency concurs completely in this, and the publicity received has neither been sought nor encouraged, but has been actively discouraged.

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Under the existing conditions of press and radio, it would be practically impossible to conceal completely, desirable as it undoubtedly would be, activities of the Central Intelligence Agency. The more practicable manner, which has been adopted, is to conceal the covert sections by allowing the overt sections to serve as a "lightning rod" and draw off attention from the clandestine activities.

Concise comments on the individual conclusions and recommendations of the Committee follow:

Chapter II, page 27.

"(1) Section 102 of the National Security Act of 1947 establishes a framework for a sound intelligence system and no amendments to this Section of the Act are deemed necessary at this time."

Concur.

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"(2) The Central Intelligence Agency is properly placed in our governmental structure under the National Security Council."

Concur.

"(3) The Central Intelligence Agency should be empowered and encouraged to establish through its Director closer liaison with the two members of the National Security Council on whom it chiefly depends, namely, the Secretaries of State and Defense."

Concur. Although an effective liaison already exists, closer relations will be established.

Chapter III, page 38.

"(1) The centralization of all administration in one office is undesirable since secret operations require their own separate administration."

The Central Intelligence Agency is on the horns of a dilemma in this problem. Until a few months ago, separate administrations were provided for secret operations. Then, the Eberstadt Report recommended a decrease in the administrative overhead, and the Bureau of the Budget required that administrative duplication be eliminated. So, a centralized administration was instituted. Either type of organization, it has been demonstrated, will work.

"(2) The present arrangements for handling the difficult budgetary questions of the Central Intelligence Agency are soundly conceived, and the Agency has not been hampered in carrying out its present responsibilities by lack of funds."

Concur.

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"(3) To assist the Director in carrying out his statutory duty of protecting intelligence sources and methods he should in cases where the disclosure of secret information is sought from him and he has doubt as to whether he should comply, refer the question to the National Security Council in order that it may determine whether or not disclosure is in the public interest."

Concur.

"(4) In the interest of security, the Central Intelligence Agency should increasingly emphasize its duties as the coordinator of intelligence rather than its secret intelligence activities in order to reverse the present unfortunate trend where it finds itself advertised almost exclusively as a secret service organization. In this way it can help to cover up rather than to uncover the secret operations entrusted to it."

Concur.

"(5) The placing in key positions of a large percentage of military personnel, many of them on relatively short 'tour of duty' assignment, tends to discourage competent civilian personnel from looking to employment in the Central Intelligence Agency as a career."

Do not concur. Omitting the post of Director, which is considered in another part of the Report, there is only one-- out of six--Assistant Director who is a military man. Four-- out of six--Deputy Assistant Directors are from the military services, but, considering the fact that the military services are both the greatest suppliers and the greatest customers, this does not appear unreasonable. The overall figure is 58 military personnel, or less than 2% of the total number of employees in the Central Intelligence Agency.

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The above Committee statement seems somewhat inconsistent with recommendations in other parts of the Report which urge the assignment of military personnel to various branches of the organization.

Chapter IV, page 63.

"(1) The responsibility of the Central Intelligence Agency under the National Security Act with respect to the coordination of intelligence activities, which is one of the most important ones assigned to the Central Intelligence Agency, has not been fully discharged."

Concur in the importance of coordination. Such coordination, as the Committee points out, must be achieved by mutual agreement, and, although a complete answer has not yet been made, progress has been continuing along the desired course. Lacking explicit authority, coordination cannot be imposed, and, even where such authority might exist, its exercise might be undesirable because of the tensions and resentments that would be set up. Coordination by agreement should be continued and should be accelerated by placing into effect the practicable recommendations in the Report.

"(2) One of the important areas where more active efforts at coordination are needed is the field of scientific intelligence."

Concur. This has been provided for with the establishment of the Office of Scientific Intelligence.

"(3) Another important area is that of domestic intelligence and counterintelligence insofar as they relate to the national security. To improve coordination in this area and between it and the entire intelligence field, we recommend that the

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Federal Bureau of Investigation should be made a member of the Intelligence Advisory Committee."

Relationships in this field between the Central Intelligence Agency and the Federal Bureau of Investigation have grown steadily in scope and in closeness during the past year. There is no objection whatsoever to the Federal Bureau of Investigation becoming a part of the Intelligence Advisory Committee, but it should be pointed out that the present charter of the Intelligence Advisory Committee permits invitation to Intelligence Advisory Committee meetings of agencies in addition to the permanent members, when the subject matter to be discussed is of interest to additional agencies. This seems to be adequate. The Federal Bureau of Investigation was invited to meetings of the Intelligence Advisory Board, but in 1946 discontinued attending these meetings. It is thought that the Federal Bureau of Investigation would not now care to join the Intelligence Advisory Committee as a permanent member, but I shall be glad to invite the Federal Bureau of Investigation to participate on a permanent basis if the National Security Council approves this recommendation in the Report.

"(4) The Director of Central Intelligence should be made permanent chairman of the United States Communications Intelligence Board."

Do not concur. Having membership on the United States Communications Intelligence Board, where procedures must be

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adopted unanimously, seems to be sufficient.

"(5) The Intelligence Advisory Committee is soundly conceived, but it should participate more actively with the Director of Central Intelligence in the continuing coordination of intelligence activities."

Concur. The Intelligence Advisory Committee is now meeting regularly, at more frequent intervals, both for the purposes of coordination and for the joint preparation of estimates, for briefings and presentations to the Secretary of Defense, Committees of Congress (including the Joint Committee on Atomic Energy), and the National Security Council. Increased use of the Intelligence Advisory Committee for the continuing coordination of intelligence activities will be carried out.

"(6) The Intelligence Advisory Committee should consist of the Director of Central Intelligence and representatives of the Departments of State, Army, Navy, and Air Force, and the Federal Bureau of Investigation. Other departments and agencies would sit as ad hoc members when appropriate."

Do not concur. There is no objection to the participation of the Federal Bureau of Investigation as a member of the Intelligence Advisory Committee, but it is believed that much benefit is obtained by the presence of representatives of the Atomic Energy Commission and the Joint Intelligence Group as permanent members. There seems to be no valid reason for dropping these latter two members. The Atomic Energy Commission is particularly desirous of maintaining this relationship.

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"(7) The Interdepartmental Coordinating and Planning Staff should be reconstituted as a staff responsible only to the Director of Central Intelligence, with the task of developing plans for the coordination of intelligence activities."

Concur. This is its present organization and its present task.

"(8) The responsibilities of the Office of Collection and Dissemination with respect to the coordination of collection requirements and requests and the dissemination of intelligence should be carried out under the new Coordination Division. This is subject to future determination of the extent to which individual Offices may conduct their own dissemination."

Do not concur. See recommended organization at the end of these comments.

Chapter V, page 81.

"(1) In the Central Intelligence Agency there has been confusion between the responsibility of producing coordinated national intelligence estimates and responsibility for miscellaneous research and reporting activities."

This is a broad statement that needs qualification. Both types of activities may have been performed, but there has been no confusion between them, and both were found to be necessary. It is believed that what the Committee describes as "confusion" has resulted from the Central Intelligence Agency's recognition of its threefold responsibilities as the producer of national intelligence estimates, as the intelligence facility of the National Security Council, and as the agency responsible for performing services of common concern. The Committee has failed

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to recognize the gap that exists between the Central Intelligence Agency's explicit responsibilities, as set forth in NSCID #3, and the Central Intelligence Agency's implicit responsibilities as the intelligence facility of the National Security Council. Moreover, NSCID #3 is so rigid with respect to the Central Intelligence Agency's production responsibilities and so flexible with respect to those of the departmental intelligence agencies that its usefulness as a working document is seriously impaired. The Committee's conclusion is made on the basis of a dangerously limited view of the Central Intelligence Agency's responsibilities for intelligence production. Such responsibilities should be considered not solely in terms of the production of "coordinated national intelligence estimates" and "intelligence in fields of common interest", but also in terms of the Central Intelligence Agency's role as the intelligence facility of the President, the National Security Council, and such agencies as may be designated by them.

The Central Intelligence Agency's intelligence production responsibilities should include the following, and NSCID #1 and NSCID #3 should be modified accordingly to include a revised and more appropriate definition of national intelligence:

- (1) To produce intelligence required to reduce to a minimum the element of surprise in foreign situations and developments which affect United States national security.

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(2) To produce coordinated intelligence estimates required for national planning, policy, and operational decisions.

(3) To produce intelligence required to support those agencies designated by the National Security Council to receive it.

(4) To produce intelligence in fields of common interest to the Central Intelligence Agency and the departmental intelligence agencies, including economic and scientific intelligence.

(5) To produce intelligence required for Central Intelligence Agency estimates not normal to any departmental responsibilities.

(It should be noted that paragraph (2) above is the only category of intelligence which conforms to the definition of national intelligence in NSCID #3.)

"(2) The provisions of the National Security Act for the production of national intelligence estimates, as interpreted by the National Security Council Intelligence Directives, are sound but have not been effectively carried out."

Concur in the assertion that the provisions of the National Security Act for the production of national intelligence estimates are sound, but, after almost a year's experience, believe that NSCID #1 and NSCID #3 should be revised for the reasons cited immediately above and for the following reasons:

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(1) The directives do not provide for adequate treatment of the matter of priority within the departmental intelligence agencies with respect to their support of the Central Intelligence Agency. Consequently, the Central Intelligence Agency is unable to make optimum use of departmental intelligence and cannot depend upon timely departmental action in meeting Central Intelligence Agency commitments and deadlines.

(2) The directives do not adequately allocate production responsibilities and do not define intelligence fields of common concern.

"(3) There should be created in the Central Intelligence Agency a small Estimates Division which would draw upon and review the specialized intelligence product of the departmental agencies in order to prepare coordinated national intelligence estimates."

The Report is vague concerning the details of the proposed reorganization, and, therefore, opinion is divided on the necessity or desirability of a drastic internal reorganization now. However, if the Committee's recommendation means that the Estimates Division is to be large enough to provide its own relatively high level research support, the recommendation is workable and might result in simplification of the process of producing estimates. The problem of a greater duplication of effort, than now exists, immediately arises. It is believed, therefore, that this recommendation is premature and should be considered only after a revision of NSCID #1 and NSCID #3.

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"(4) Under the leadership of the Director of Central Intelligence, these estimates should be submitted for discussion and approval by the reconstituted Intelligence Advisory Committee whose members should assume collective responsibility for them."

"(5) Provision should be made in these arrangements for the handling of crisis situations when coordinated estimates are required without delay."

"(6) Coordinated intelligence estimates produced in this way must, in order to be effective, be recognized as the most authoritative estimates available to the policy makers."

These three recommendations have been considered together as parts of the same problem. The Central Intelligence Agency cannot agree with the view that members of the Intelligence Advisory Committee should assume collective responsibility for Central Intelligence Agency estimates. It is considered that the main question is what sort of estimates should emerge from the national intelligence structure. Those who developed the original concept of a central intelligence group had clearly in mind the ever-present factor of departmental bias as well as the shortcomings of joint intelligence, which often produces estimates so watered down in the process of reaching agreement as to be valueless. The Central Intelligence Agency estimates can be free from such faults only if they are produced with full cognizance of departmental views but without subservience to departmental prejudices. Intelligence Advisory Committee review of the Central Intelligence Agency drafts should undertake to eliminate minor or apparent differences but not to gloss over divergences of informed opinion. The resultant estimate must be essentially

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that of the Central Intelligence Agency and not that of the Intelligence Advisory Committee collectively. Any statements of dissent should be limited to substantial and well-defined issues, as the directives now provide. Moreover, these directives should be further modified to restrict dissent to the field of responsibility of the dissenting agency. (For example, the Office of Naval Intelligence has an interest in political matters but is not responsible for estimates in that field, and the Central Intelligence Agency should not be required to publish a dissent by the Office of Naval Intelligence on purely political matters if the State Department concurs in the Central Intelligence Agency position.) The logic of this contention is simply that, just as a dissenting member of the Intelligence Advisory Committee cannot be expected to share in the responsibility for a Central Intelligence Agency estimate in which he dissents, so, by extension, the Central Intelligence Agency has sole responsibility for its estimates, even when Intelligence Advisory Committee concurrence is complete, and does not share this responsibility collectively with the members of the Intelligence Advisory Committee. Concurrence should fortify the estimate; it should not create an artificial responsibility. The Report does not reflect a clear understanding of this vital aspect of the coordination theory. To the Committee, "national" intelligence is merely "coordinated" intelligence, and coordinated intelligence is joint intelligence, at the mercy of departmental bias.

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Although the Report favors the method of preparing drafts in an ad hoc committee, experience shows that this procedure is time-consuming and inefficient. The Central Intelligence Agency believes that coordination procedures will be effective only if its own estimates personnel produce the initial draft as a basis for discussion with a permanent, full-time, substantively competent Intelligence Advisory Committee sub-committee, prior to the submittal of the estimates to the Director for Intelligence Advisory Committee action.

There must be effective means for handling crisis situations. In the past, an informal procedure, which worked, was in effect. This procedure is now in process of being formalized by agreed, written understanding.

The Central Intelligence Agency's estimates must earn their distinction as the most authoritative intelligence available to the policy makers. It is, however, recommended that the National Security Council enjoin the policy makers to give the Central Intelligence Agency such guidance in matters pertaining to national policy that Central Intelligence Agency support will be more directly responsive to their needs.

Chapter VI, page 91

"(1) In addition to the Estimates Division recommended in the previous Chapter, there should be created out of the present Office of Reports and Estimates a Research and Reports Division to accomplish central research in, and coordinated production of,

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intelligence in fields of common interest. The staff of this Division should include sufficient representation from the State Department and the Services to insure that their needs are adequately met."

The Report is vague concerning the details of the proposed reorganization, and, therefore, opinion is divided on the necessity or desirability of a drastic internal reorganization now. However, if the Committee's recommendation means that the Estimates Division is to be large enough to provide its own relatively high level research support, the recommendation is workable and might result in simplification of the process of producing estimates. The problem of a greater duplication of effort, than now exists, immediately arises. It is believed, therefore, that this recommendation is premature and should be considered only after a revision of NSCID #1 and NSCID #3.

Similarly, the proposed Research and Reports Division, including a basic economic research unit as well as the present Map Branch and such other facilities as might be determined to belong there, could profitably operate apart from the Estimates Division. It must be pointed out, however, that these recommendations are made within the framework of the entire Report. It would be highly inadvisable to separate the present Office of Reports and Estimates functions without making sure that corresponding changes will be brought about in the functions and facilities of the departmental intelligence agencies, particularly in their relationships to the Central

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Intelligence Agency. It should be recognized that decentralization of intelligence production responsibilities, as recommended in the Report, necessarily involves substantial problems of coordination, flow, routing, and priorities of access to source materials, and raises the potential danger of an even greater duplication of effort than now exists. This proposal will be further discussed in the recommended organization at the end of these comments.

"(2) The Coordination Division (reconstituted Interdepartmental Coordinating and Planning Staff) should be given the responsibility for studying the actual scope of the Research and Reports Division and for recommending those services of common concern which should be performed centrally."

Concur. It is believed that the reconstituted Interdepartmental Coordinating and Planning Staff should determine what revision of NSCID #3 is needed, in collaboration with the Intelligence Advisory Committee Standing Committee and representatives of the Office of Reports and Estimates.

"(3) The propriety of the preparation by the Central Intelligence Agency of essentially political summaries should be reviewed, taking into consideration the need for such summaries, the existence of a number of duplicating summaries and the particular capabilities of the individual departments to prepare them."

The Central Intelligence Agency does not concur in this recommendation or its implications. In referring to the Central Intelligence Agency current intelligence publications as "essentially political summaries," the Report properly indicates

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that those publications are based to a considerable degree on State Department materials. However, a major cause for this preponderance of State Department materials is that Army, Navy, and Air Force did not until recently, as State does, make all their highest level intelligence and operational materials available to the Central Intelligence Agency. A strong National Security Council directive is required to remedy this situation. Concerning the problem of duplication, the Central Intelligence Agency believes that such duplication is more apparent than real. Each of the departmental agencies produces periodic summaries which are designed for a specific audience, and no one of those publications could meet the needs of the other audiences. (Even the State Department summaries are specialized; they are diplomatic summaries for readers with an intimate knowledge of diplomatic operations.) The Central Intelligence Agency current intelligence publications are the only ones designed primarily for the President and the National Security Council. It is believed that only the Central Intelligence Agency has the perspective and the freedom from bias necessary for proper performance of this delicate and significant function.

The President and the members of the National Security Council have repeatedly expressed their approval of the Central Intelligence Agency Daily and Weekly Summaries. Although the Report makes no specific recommendation concerning the Central Intelligence Agency monthly "Review of the World Situation,"

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the publication has been well received insofar as the Central Intelligence Agency has been able to ascertain.

"(4) The various reports, studies and summaries which are not national intelligence or recognized services of common concern should be discontinued."

Concur.

Chapter VII, page 104.

"(1) The Office of Operations consists of three distinctive activities, which represent useful and recognized functions in their own field but have no particular relation to each other."

Do not concur. These activities are closely bound by the link that they are the only Central Intelligence Agency activities engaged in the overt collection of intelligence information. They



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provides services of common concern. These activities do not perform research, analysis, or evaluation. All, by their tasks, must admit openly to being part of the Central Intelligence Agency. The three branches are further related, as follows:

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Concur. An agreement on procedures regarding this task is now practically completed between the Central Intelligence Agency, the Intelligence Advisory Committee agencies, and the Federal Bureau of Investigation.

"(4) The Foreign Documents Branch should be made part of the proposed Research and Reports Division if one is created."

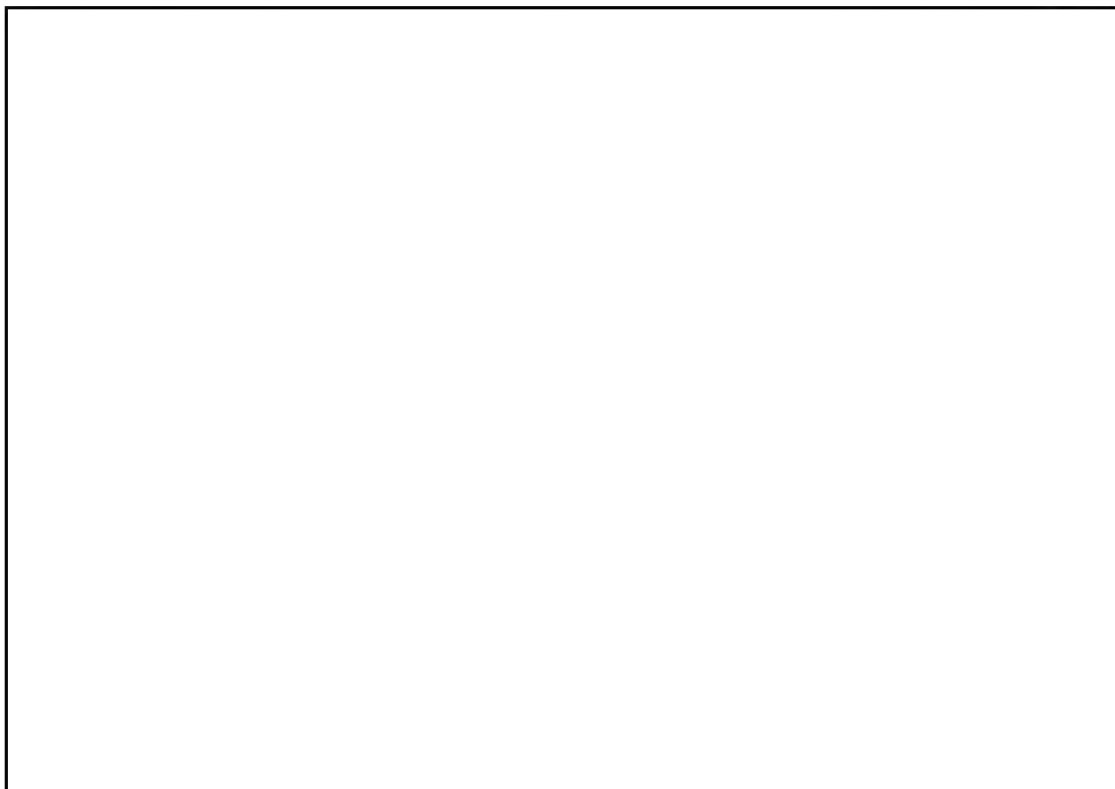
Do not concur. The Foreign Documents Branch at present operates under various inter-agency agreements, providing a central exploitation service for captured documents and current foreign publications, including books, periodicals, and the daily press. The translation service of the Foreign Documents Branch, although established primarily for the Central Intelligence Agency, is extensively used by all the Intelligence Advisory Committee agencies, which have limited translation facilities, especially for the Oriental and Near Eastern languages. That the Foreign Documents Branch's work must "be performed in close relationship to and under the constant guidance of the consumer agencies" is concurred in. Since the Foreign Documents Branch's main work is done at the request of, and according to the specific requirements of, the departmental intelligence agencies as well as those of the Central Intelligence Agency (Office of Reports and Estimates, Office of Special Operations, etc.), the guidance of the interested sections or desks is always available. The Branch at present operates centrally, producing raw intelligence information in English from foreign

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language sources for wide dissemination. Closer integration of the Branch with research and evaluation sections of the Central Intelligence Agency would benefit the latter, but would tend to cut the operation off from the Intelligence Advisory Committee consumers. It may be noted that this Branch was once a part of the current Office of Reports and Estimates, and this subordination was found impractical. Under such direction, the operation tends to become an adjunct to Central Intelligence Agency research projects, rather than a collection service which provides large quantities of foreign information in a useable form, not only to all the intelligence agencies, but to other parts of the military establishment, such as the Research and Development Board, the technical services, etc.



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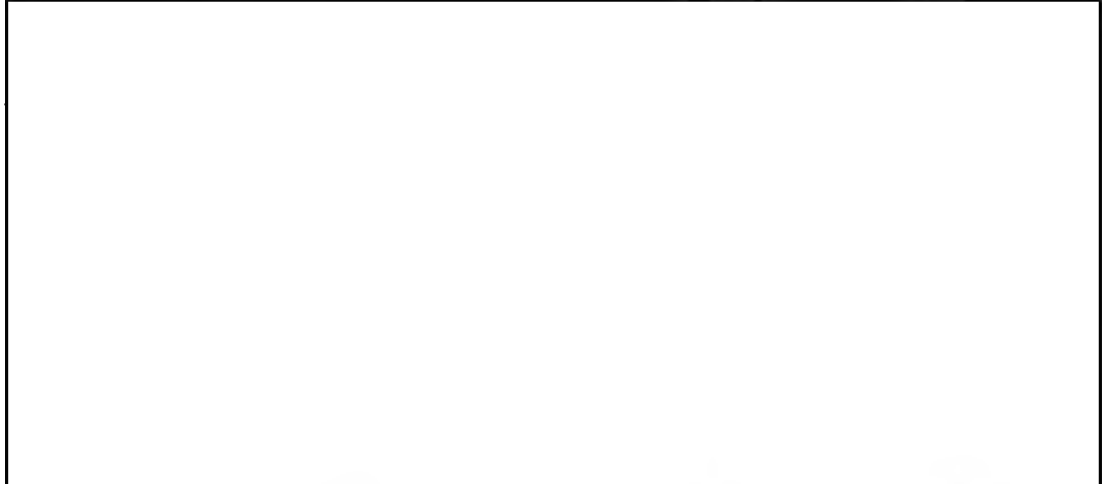
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Chapter VIII, page 129.



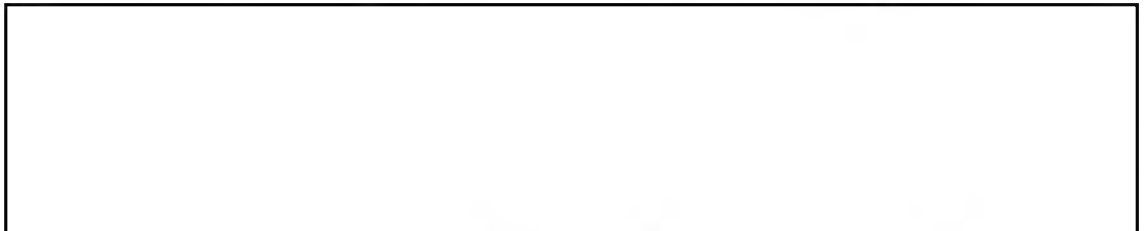
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In this connection, the Office of Special Operations and the Office of Policy Coordination were formerly integrated and combined into one office during the period when NSC 4-A was in effect. NSC 10/2 states explicitly that the Office of Policy Coordination shall be autonomous in the Central Intelligence Agency.

"(2) Covert intelligence activities conducted by the Central Intelligence Agency and other agencies in occupied areas should be reviewed in order to effect close coordination."

Concur. This is being carried out at the present time.

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Concur. This, too, is being done on a continuing basis.

"(4) The Office of Special Operations (or the new Operations Division) must give primary attention to the building up of a corps of trained personnel for operations abroad."

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Concur. This is being done. It is not unprofitable to think of the Office of Special Operations career in terms of other professions, such as the law. In law, three years of formal study constitutes merely a mental conditioning and the acquiring of a rationale preparatory to its practice. The career itself has developed into innumerable fields of specialization. However, it is within the power of legal experts to judge the competence of members of the profession since it has established standards. An examination of the plaintiff's and defendant's briefs against the judge's opinion and legal precedence permits an evaluation of professional ability which will at least find a substantial body of concurrence within the profession. The Office of Special Operations is only beginning to establish standards or a relative sense of values in its own profession which enables competence to be recognized universally within the intelligence profession. The Office of Special Operations training is developing in a sound manner since it is formalizing a program of instruction based on case histories and field experience. This course of study is being continually refined by the criticisms of incoming field personnel who have gained new techniques and encountered special conditions which require revisions in the training program.



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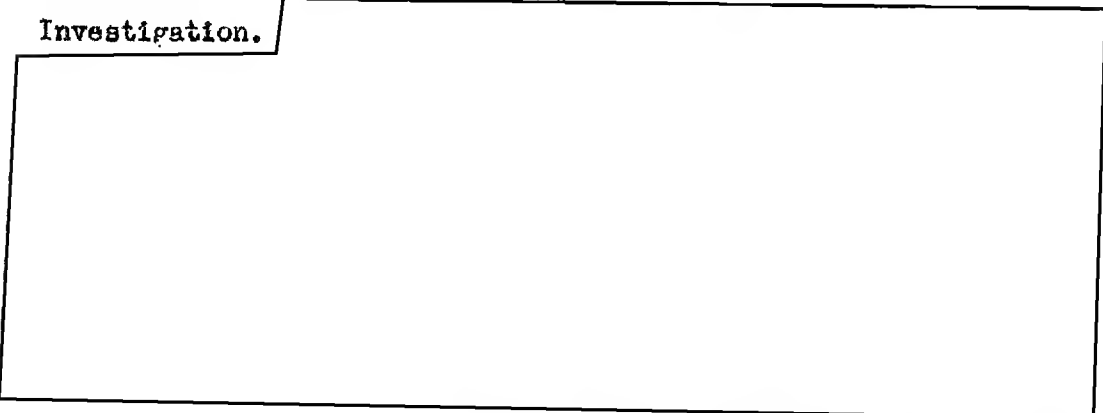
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and closer liaison in this field should be established with the Federal Bureau of Investigation."

Concur. This is being done. This continued implementation will naturally result in a higher quality of counterespionage activity which will in turn directly influence the Central Intelligence Agency relationship with the Federal Bureau of Investigation.



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"(7) Relations with departmental agencies should be brought closer, and the guidance which the Office of Special Operations receives from intelligence consumers should be strengthened. This might be achieved by including representatives of the Service agencies and the State Department in the Information Control Section of the Office of Special Operations."

Concur. It must be noted that this will increase the number of military personnel employed in the Central Intelligence Agency.

"(8) The Director should assure himself that the Office of Special Operations is receiving adequate information on the current and strategic intelligence needs of the Government. This might be achieved by establishing closer relations with the Secretaries of State and Defense."

Concur.

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"(9) The Office of Special Operations should exercise a greater measure of control over the dissemination of its own material."

Do not concur. This would again produce duplication which has already been so sharply criticized. Save for operational matters, normal dissemination, subject to security safe-guards, should be employed.

"(10) The Nuclear Energy Group should be moved from the Office of Special Operations to the proposed Research and Reports Division where it should be a part of the general scientific work."

Concur. The Nuclear Energy Group has already been moved to the Office of Scientific Intelligence.

"(11) The Office of Special Operations should have access to communications intelligence to the full extent required for guidance in directing its operations and for more effective conduct of counter-espionage."

Concur. This is being done. In this connection, the Committee's comment on page 126 appears a trifle gratuitous: "Although, as pointed out elsewhere in this report (See Chapter IV), we have not gone into this field, there appears to be some question whether the Office of Special Operations now has adequate and prompt access to this material." The Office of Special Operations is receiving all information that is available in this field.

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Chapter IX, page 134.

"(1) The close relationship between covert intelligence and covert operations and the fact that the latter is related to intelligence affecting the national security justifies the placing of the Office of Policy Coordination within the Central Intelligence Agency."

"(2) The Office of Policy Coordination should be integrated with the other covert Office of the Central Intelligence Agency, namely, the Office of Special Operations, and with the [redacted] of the Office of Operations, and these three operations should be under single over-all direction (Operations Division) within the Central Intelligence Agency."

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Concur, [redacted]

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In this connection, the Office of Policy Coordination and the Office of Special Operations were formerly integrated and combined into one office during the period when NSC 4-A was in effect. NSC 10/2 states explicitly that the Office of Policy Coordination shall be autonomous in the Central Intelligence Agency. To carry out the second recommendation above, NSC 10/2 will have to be revised.

Chapter X, page 138.

"(1) The directing staff of the Central Intelligence Agency has not demonstrated an adequate understanding of the mandate of the organization or the ability to discharge that mandate effectively."

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Do not concur. Had the Central Intelligence Agency been constituted in a vacuum, where relations with other established agencies need not have been taken into account, progress in coordination, organization, and production might have been much more rapid. However, the relationships and impacts between not only the other intelligence agencies, but also the administrative agencies of the Government--the Bureau of the Budget, the General Accounting Office, the Civil Service Commission, etc.--had to be adjusted and had to be lived with. Dismissing the theoretical conditions which one might have liked to enjoy, and considering the realistic conditions which have confronted the Central Intelligence Agency, it is believed that much progress along sound lines has been made. And, what is more gratifying, this tendency is increasing in both scope and in the right direction.

"(2) Administrative organization and policies tend to impede the carrying out of the essential intelligence functions of the Central Intelligence Agency under the Act."

Do not concur. The development of our organization and functions has been based on a policy of centralization of specific responsibilities in single offices and the coordinated work of the offices as a team, each concentrating in its own field and looking to the others for support from other fields. Only in this manner can we avoid the confusion, duplication of effort, inefficiency, and major frictions which always attend a situation wherein every component tries to be self-sufficient and attempts to do the same things, at the same time, in the same sphere,

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and in constant competition. Our organizational policy has resulted in the centralized groupings shown below:

(1) Research, evaluation, and production, and coordination in these fields:

Office of Reports and Estimates (except science)

Office of Scientific Intelligence

(2) Collection and liaison control, dissemination, liaison service, and information service, and coordination in these fields:

Office of Collection and Dissemination

(3) Overt field collection:

Office of Operations

(4) Covert field collection and counterespionage:

Office of Special Operations

(5) Covert field operations:

Office of Policy Coordination.

(The last two functions which had been integrated into one covert office were separated as a result of a directive issued by the National Security Council.)

"(3) Continuity of service is essential for the successful carrying out of the duties of Director of Central Intelligence."

Concur. This principle is obvious, and a lack of the assurance of continuity works a hardship on both the personnel of the Central Intelligence Agency and the quality of work performed. Changes of Directors with the following changes of

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organization tend to make the Central Intelligence Agency employee feel uncertain and insecure in his job with consequent harm to the quality and quantity of his output. This was particularly noticeable last Fall just before election when literally dozens of rumors were extant in Washington that one of the Committee members was to become Director of Central Intelligence as soon as the election was over.

"(4) As the best hope for continuity of service and the greatest assurance of independence of action a civilian should be Director of Central Intelligence. If a Service man is selected for the post he should resign from active military duty."

This is a question that has arisen time and time again. Perhaps the best discussion of this problem is that stated in the report of the Eberstadt Committee which is quoted, as follows:

"A moot question is whether the Director should be a civilian or a professional military man. The argument in favor of a service man is that he will command more confidence from the armed services who talk his language and will respect his position and security. With a military man, the present pay scale will not prove a deterrent. The job could be developed into one of the top staff assignments available to members of the three services.

"Against this, it is said that the position requires a broader background and greater versatility and diplomatic

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experience than is usually found in service personnel; that the best qualified and most competent officers would not accept the position if to do so meant permanent retirement and an end of the road to important command or operational responsibility. If a military man is assigned to the position as a tour of duty, he will, it is said, inevitably be influenced to some degree, in the execution of his duties, by his rank and status as compared with that of other officers with whom he deals. He may also be influenced by concern for his next billet.

"The principal argument against a civilian is the difficulty of getting a good one. It will be difficult to attract a man of force, reputation, integrity, and proven administrative ability who has an adequate knowledge of foreign history and politics and is familiar with intelligence technique and the working machinery of the Government and the military establishment. Not only is the pay low in comparison to industry and the professions, but the reward of success is anonymity. The wisdom of putting an individual who lacks intelligence experience in charge simply because he is a competent administrator is dubious. A civilian would have the advantage of being free from taint of service ambitions or rivalries. On the other hand a civilian may be more subject to political pressure than a military man. In certain foreign countries this has occurred. In any

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event a civilian would have to be a man of commanding reputation and personality in order to secure the respect and cooperation of the services. CIA's relations with the State Department would undoubtedly benefit from the presence of a civilian director, known and respected by the Secretary of State and his assistants.

"The intrinsic interest of the work, its potential influence on policy, and recognition of public service to be performed might combine to persuade a competent civilian to accept the position. If so, his appointment would seem desirable. A change in the statute that would disqualify a military man is not, however, recommended.

"Moreover it would not be wise, at this time at least, to amend the statute to include a mandatory requirement that a military man, appointed as Director, must retire from the service. A competent officer could be persuaded to retire from his service and abandon his career to become Director of CIA only if he felt some assurance of a reasonable tenure of office. That no such assurance exists today appears from the fact that three different Directors have been appointed since January of 1946. A provision requiring the retirement from service of any commissioned officer appointed Director might appropriately be included

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in the statute--if coupled with the provision for adequate retirement pay in case he is removed as Director."

Chapter XI, page 149.

"(1) The Service intelligence agencies have manifested an increased interest in intelligence and an attitude conducive to accomplishing its effective coordination."

Concur.

"(2) In order to meet adequately their vital responsibilities and maintain their proper position in the departmental structure, the Service intelligence agencies should be staffed with qualified personnel who concentrate in intelligence over the major portion of their careers."

Concur.

"(3) In accordance with a program of coordination initiated and guided by the Central Intelligence Agency, the Service intelligence agencies should confine themselves principally to those fields of intelligence in which they have the primary interest."

Concur.

"(4) A more active program of coordination by the Central Intelligence Agency would result in a higher degree of centralization and coordination of intelligence production in fields where the Services have a common interest."

Concur.

"(5) There should be effective coordination between the work of the Joint Intelligence Committee in the field of military estimates and that of the Central Intelligence Agency and Intelligence Advisory Committee in the field of national estimates."

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Concur.

Chapter XII, page 161.

"(1) The State Department, to which the National Security Council has assigned dominant interest in the collection and production of political, cultural and sociological intelligence, should equip itself more adequately to meet the legitimate requirements of the Central Intelligence Agency and of other Government intelligence agencies for such intelligence."

Concur.

"(2) The specialized intelligence staff in the State Department, the Research and Intelligence Staff, does not now have sufficient current knowledge of departmental operations and policies to furnish, on behalf of the Department, the basic estimates which may be required by the Central Intelligence Agency and the Service intelligence agencies."

No comment.

"(3) The liaison between the State Department and the Central Intelligence Agency should be closer and put on a continuing, effective basis."

Concur. Authorization should be granted the Office of Reports and Estimates of the Central Intelligence Agency to maintain effective liaison with political and operational levels in the State Department in addition to the liaison presently authorized with the Office of Intelligence Research. It is particularly important that the Office of Reports and Estimates have effective working relations with the State Department's Policy Planning Staff in order to coordinate intelligence production requirements. The Office of Reports and Estimates'

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intelligence production plans should be in phase with the policy planning of the State Department.

"(4) To meet the foregoing requirements, consideration should be given by the Department to designating a high officer of the Department, who has full access to operational and policy matters, to act as intelligence officer. This officer, with a small staff, should process requests for departmental intelligence received from the Central Intelligence Agency and other agencies and see that legitimate requests are met through the preparation of the requisite intelligence reports or estimates by the appropriate departmental officers. He should also act as continuing intelligence liaison officer with the Central Intelligence Agency and the Service intelligence agencies."

Concur, depending upon the position of the person selected. Unless the individual is situated at a high policy level within the State Department, his designation would be meaningless, if not detrimental.

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Central Intelligence Agency Organization

Attached hereto are charts showing: (Enclosure A) the present organization and functions of the Central Intelligence Agency; (Enclosure B) an organization recommended by the Committee; and (Enclosure C) an organization recommended by the Central Intelligence Agency. This latter recommended organization incorporates those recommendations of the Committee which are believed to be practicable.

The changes in the functions of the various bodies are discussed below in connection with the organization (Enclosure C) recommended by the Central Intelligence Agency:

Intelligence Advisory Committee - The Intelligence Advisory Committee is increased by the addition of a representative of the Federal Bureau of Investigation as a member.

Interdepartmental Coordinating - The Interdepartmental Coordinating and Planning Staff is not placed in a Coordination Division because that seems merely to place unrelated elements into one body.

Office of Collection and Dissemination - The Office of Collection and Dissemination is retained as a collecting, disseminating, liaison, and reference branch as at present constituted.

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The Committee proposes, in essence, that the reference functions of the Office of Collection and Dissemination be divorced from the liaison functions, that the reference functions be transferred to the Office of Reports and Estimates, and that the liaison functions be administered by the Interdepartmental Coordinating and Planning Staff. The stated reason for this proposal is that the reference and liaison functions have little interrelation, that the former are closely related to the research function of the Office of Reports and Estimates, and that the latter are closely related to the coordinating function of the Interdepartmental Coordinating and Planning Staff. The best reply to this seemingly logical proposal is that the Agency has already tried it out in practice and found it unsatisfactory. It had taken the Agency many months of hard work, trial, and error to learn that the seemingly different functions of reference and liaison are, in fact, so closely related that they are better performed by a single administrative unit than by separate ones.

It would be exact to state that the techniques of the Office of Collection and Dissemination are many and various, involving the use of much unique machine equipment, but it is only on paper that the functions appear unrelated. In truth, they all serve a single and common end: to get and store intelligence information and make it available to those who need it.

In 1947 the Agency was organized with the Reference Center, embracing library and registers, in the Office of Reports and Estimates; and with liaison assigned to the separate Office of

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Collection and Dissemination. This was similar, in principle, with what the Committee now proposes. The only difference is that the Reference Center (under the Committee's proposal) would now be installed in one of the two Divisions into which the Office of Reports and Estimates would be split, and the liaison function would be assigned to a renamed Interdepartmental Coordinating and Planning Staff.

The separation of liaison and reference functions did not work out well in practice. The administrative void between the two worked to the detriment of both. If an analyst in the Office of Reports and Estimates called for a document known to be in the State Department's library, it was clearly the job of the inter-library loan people in the Central Intelligence Agency's library to get it for him; but, if it turned out that the document was subject to stringent security restrictions, then it became the job of a liaison officer to make arrangements, with appropriate officials of the State Department, for the document to be released. The two jobs were one and the same, but they required different approaches and different techniques. As the library and liaison people were under different administrations, they failed to develop intimate knowledge of each other's daily problems and of the techniques and channels being developed to deal with them. Delays were many, and tempers were exacerbated.

The Reference Center, under the Office of Reports and Estimates, found itself without adequate administrative understanding and support. The main business of the Office of Reports and Estimates was to deal

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with critical problems of a substantive nature, and the specialists preparing an important estimate against a tight deadline naturally took precedence over library and register people whose problems could be put off until the morrow. The needs of the analysts had priority, and there was a tendency to postpone action on the more humdrum needs of the Reference Center. It seems inescapable that the same situation would develop again if the library and registers were to be reassigned to the Office of Reports and Estimates, or to a Research and Reports Division created out of the Office of Reports and Estimates. In addition, there is now an Office of Scientific Intelligence which requires library and register services no less than the Office of Reports and Estimates, and it would be unwise to make it dependent on its sister Office for these services. I believe that the Central Intelligence Agency Library and the registers should serve all of the Central Intelligence Agency, and that they can best do so if administered centrally, separately and apart from any one of the consumer offices or divisions.

Office of Reports and Estimates - An "Estimates" Group, as recommended by the Committee is formed at the highest level in the Office of Reports and Estimates. By placing this group so, instead of making it a separate office, duplication is avoided by not requiring a special staff and research group to support

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a new office. It is believed the result desired by the Committee, i.e., an ultimate control and coordination of estimates can be obtained in this way without requiring additional, separate supporting personnel.

Office of Operations

- This office is left intact as in the present organization because its task is the overt collecting of information, as distinguished from the covert methods used by the Office of Special Operations and the Office of Policy Coordination.

Office of Special Projects

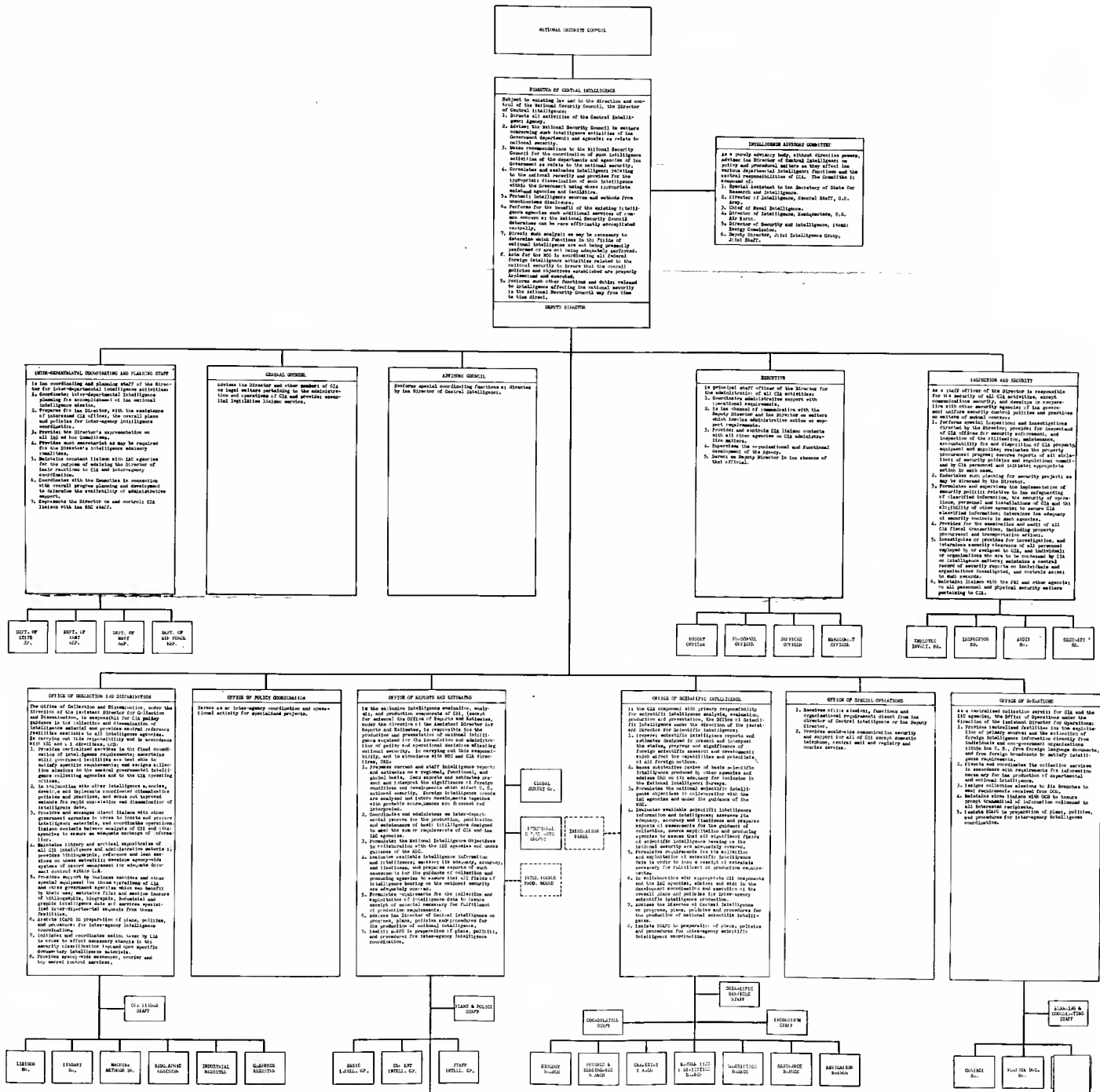
- This is a new office comprising the present Office of Special Operations and the Office of Policy Coordination and combines all covert operations into one office as recommended by the Committee. It differs from the Committee organization in that the administrative services are performed centrally, which conforms to the Bureau of the Budget's ideas regarding the avoidance of duplication. This

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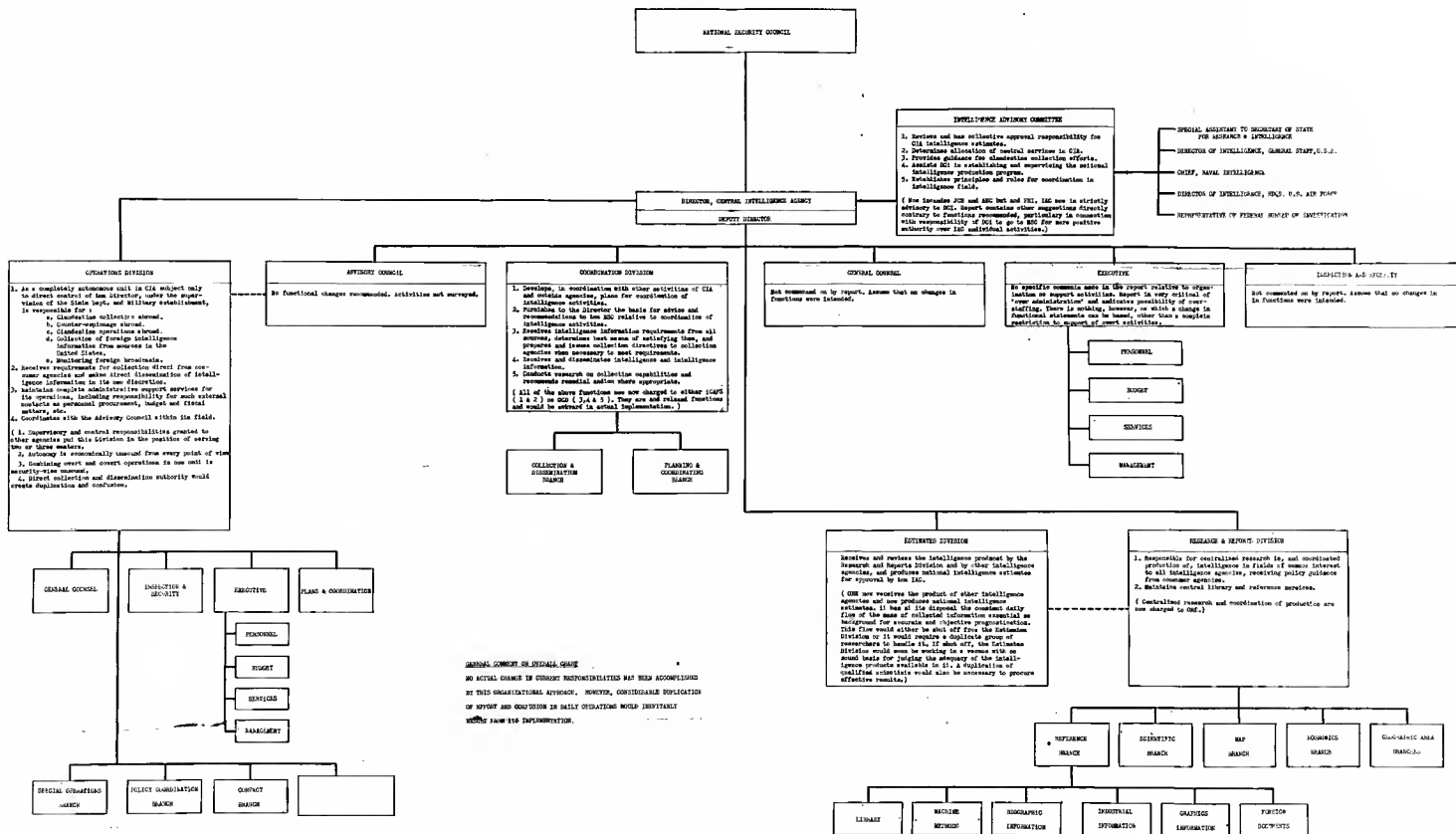
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organization is similar to that
which functioned before the
adoption of NSG 10/2, and for it
to be placed in effect now will
require the amendment of NSG 10/2.

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PRESENT ORGANIZATION



ORGANIZATION RECOMMENDED BY DULLES COMMITTEE



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